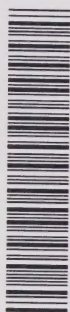


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Costs of Criminal Justice



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IMPACT

Costs of Criminal Justice

IMPACT is a periodical which presents research and statistics about crime and criminal justice

The aim of this publication series is to bring together, in concise and readable form, key research, statistical and other information pertaining to crime and criminal justice that will be useful to legislators, policy and program decision-makers and others involved or interested in the Canadian criminal justice system.

This publication series is produced by the staff of the Programs Branch. This Branch of the Ministry's Secretariat consists of the Communications Division, the Consultation Centre, the Research Division, the Statistics Division, and Branch Administration.

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Costs of Crime: Introduction

JOHN L. EVANS

*Director General,
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Concern about the costs of crime — in all of its meanings — is not recent. Over the last fifteen years, however, the need for good cost data has become increasingly apparent. Information on the costs of crime can serve several purposes:

- a) cost data allow a complementary and, in some cases, particularly meaningful way of quantifying the amount of crime in a society;
- b) by reference to such concepts as gross national product or constant dollars, cost data allow standardized historical comparison of crime and the response to crime;
- c) cost data allow important comparisons between criminal justice and other basic social expenditures; and
- d) cost data allow comparative cost-benefit analyses to help evaluate social programs and contribute to social policy development.

Some might quarrel at such a cold, practical and amoral measure of crime. Certainly crime involves many issues of ethics and ethical choices. Moreover, many of the most important costs of crime — the psychological and emotional suffering of victims, the fear and insecurity of those who believe they are at risk, the loss of freedom and potential productive labour that incarceration means for the criminal who is caught, the pain and often anger of the families of victims — cannot be measured in dollars. These often intangible, and largely unmeasurable, costs must be a significant part of any cost-benefit equations.

The “cost of crime” is simply a convenient shorthand for a diversity of expenditures and damages, costs to victims, costs to society, costs to some segments of society, costs to criminals, private and public costs, direct and indirect costs and so on. Criminologists speak of average costs, marginal

costs or total costs. Some seek a measure of the ultimate costs of crime — some estimate of national income as it would be in a crime-free society. We are very far from being able to estimate global or ultimate costs.

Nevertheless, until we link social issues to some economic cost concept, until we know more about the costs of crime to society, to victims, and, indeed, to criminals, we will be unable to answer our ethical questions to our own satisfaction. That is, ethical choices about crime demand knowledge about the consequences of crime. Obviously, questions of efficiency demand cost information, but so too do the more fundamental questions about whether social programs and policies are working. If we think they are “working”, we will still want to know at what price. When we wish to choose among beneficial programs we will also want to know their relative costs. Social policy and program development would benefit from knowledge about which crimes cause the greatest losses and which the least, and which groups or categories of people suffer the costs most heavily.

Our major difficulty is that we are far from having good quality data on the costs of crime. The laborious process of conceptual clarification and data collection has only begun. For example, we know little about the social and economic costs of enterprise crime, although a Federal/Provincial Study Group promises to provide some systematic data. We know little about criminal court expenditures, although the Canadian Centre for Justice Statistics is addressing this problem. We have not the data to know which crimes produced the largest expenditures of criminal justice dollars. Nor do we have data on which criminal justice objectives — control, prevention, punishment, rehabilitation, incapacitation — consume most dollars. We have only a glimmering of the large expenditures involved in private security and private justice more generally. We know little about expenditures by social and health agencies which are directly related to crime.

The problems only start here: add to the multiplicity of jurisdictions, the multiplicity of agencies involved in responding to crime, and the multiplicity of functions within each agency. Take the police as an example. Quite apart from the number of police departments and jurisdictions — federal, provincial and local — we know that much police activity is not specifically focused on crime. Traffic control, twenty-four hour social service and similar police activities would be necessary even in the theoretical crime-free society.

The first article in the issue offers global estimates of some aspects of the cost of crime control. But, as the author has indicated, the data provided require cautious interpretation. The data used, some of which were collected by others and for other purposes, inevitably represent a variety of accounting and counting procedures. Crime in Canada is a multi-jurisdictional phenomenon. Attempting to sum or integrate data from such diverse sources is always hazardous.

The second article focuses on the costs of policing. Canadian taxpayers and their governments in 1980 paid over 1.6 billion dollars or \$71.25 per

capita for police services (Sol. Gen., 1981). The average costs for employing a single police officer in 1980 was \$34,397 up from 27,028 in 1977-78 (Quebec Ministry of Justice, 1982). Though the growth in the costs of policing generally mirrored similar increases in all government expenditures, the evidence suggests that policing increased more than its proportional share of total expenditures. If policing has become expensive in Canada, it is partly because it has grown so dramatically — more than other components of criminal justice — in the last twenty years. Although recent indications show these costs are being controlled and indeed in some communities are being cut back, the present problems have made cost-effectiveness and efficiency major issues in policing. The article focuses on one relatively large municipal police force to show more clearly just how these dollars are being spent.

The third article focuses on the costs of corrections. We have long known that the costs of incarcerating offenders are high, and that these costs have increased over the years. Along with these increased costs, there has been a substantial increase in the penitentiary and prison populations in recent years. The effect has been serious overcrowding in many Canadian jurisdictions, one result of which has been the introduction of double-bunking (i.e., housing two inmates in a cell designed for one) in Canadian penitentiaries. In view of the enormous cost of building new facilities, and amidst serious doubts about the effectiveness of incarceration as a response to crime, there is considerable pressure to seek ways of reducing the growth in penitentiary and prison populations. Indeed, the principle that incarceration be used as a last resort has gained broad acceptance in current criminal justice thinking, and there has been a major thrust to develop community-based alternatives to incarceration. These alternative sanctions for those offenders who do not pose a danger to society are intended to meet the goals of criminal justice at lower financial and human costs than those incurred by incarceration. In sorting out these policy issues, costs clearly cannot be ignored. Perhaps the most important contribution of this article is that it seeks to sort out the conceptual confusions which have produced varied and conflicting statements about the costs of incarceration.

The final article focuses on the costs of crime to victims, who have all too often been ignored in such assessments. We have only recently collected data on the costs of crime to victims as we have only recently become sensitized to their needs. The data presented in this article are drawn from the Canadian Urban Victimization Survey conducted by the Ministry with the assistance of Statistics Canada. Many of these findings are being published for the first time.

These articles offer our best estimates of some aspects of the costs of crime. We hope they will underscore the importance of the questions and encourage the work necessary to begin providing more refined answers.

Criminal Justice Spending in Canada: Recent Trends

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The Canadian criminal justice system has undergone striking changes in the last twenty years, changes reflected in increased justice spending. This is evident in the dramatic rise in the *absolute* level of public sector spending for criminal justice administration. Financial management data compiled annually by Statistics Canada indicate that total federal, provincial/territorial, and municipal expenditures for crime control increased more than 1200 per cent — from slightly less than \$300 million in 1961 to nearly \$4 billion in 1980. Such numbers in themselves are meaningless without a comparative perspective.

The purpose of this paper is to describe recent trends in public sector spending for criminal justice in Canada, to identify factors associated with the rise in these expenditures; and to speculate on future developments. Conceptual ambiguities and data inconsistencies, however, permit only general inferences to be drawn with respect to criminal justice spending trends.

National Trends

As indicated in Table 1, the federal, provincial/territorial, and local governments exhibited remarkably similar criminal justice spending patterns during the 1960s and 1970s. At each level of government, gross expenditures for police protection, correctional services, and courts of law (see glossary for definitions) rose uninterruptedly, with the annual rate of growth becoming particularly pronounced in the mid-1970s. During the twenty-year period under consideration, each level of government increased its spending for criminal justice purposes by approximately \$1 billion.

* Based on "Criminal Justice Expenditures in Canada: An Examination of Recent Trends", a study completed while the author was a member of the Research Division.

TABLE 1

Federal, Provincial/Territorial, and Local Spending
for Criminal Justice
(Millions)

YEAR*	FEDERAL	PROVINCIAL	LOCAL	TOTAL
1961	80	105	108	293
1966	173	202	173	548
1971	309	407	350	1,066
1976	770	942	842	2,554
1979	1,031	1,168	1,095	3,294
1980	1,204	1,353	1,267	3,824

* Federal and provincial/territorial expenditures are reported per fiscal year. Local spending is reported on a calendar year basis.

Source: Statistics Canada, Federal Government Finance, annual (Catalogue # 68-211); Provincial Government Finance, annual (Catalogue # 68-207); Local Government Finance - Actual, annual, (Catalogue # 68-204).

Federal Trends

Table 2 reveals surprisingly little variation in the proportional distribution of federal expenditures for justice services with police-related costs accounting for the largest portion of the annual criminal justice budget. From 1961 to 1980, the federal sector devoted roughly 60% of the annual criminal justice budget to the RCMP, 30% to The Correctional Service of Canada and the National Parole Board, and 10% to courts of law.

Provincial/Territorial Trends

By comparison, provincial/territorial expenditures were divided more evenly among the major criminal justice components (Table 3). Nearly one-third of their annual justice budgets were allocated to courts of law because the provinces are responsible for all court-related costs excluding the salaries of appeal and superior court judges and the costs generated by the Federal and Supreme Courts of Canada. Provincial spending on police consumed an increasing portion of provincial resources devoted to criminal justice.

Local Trends

Virtually all of the local expenditures for crime control were allocated to law enforcement (Table 4). Local governments spent as much on policing as the federal and provincial sectors combined. Local spending for courts was minimal and correctional expenditures were virtually nonexistent as Nova Scotia is the only province where municipalities fund correctional facilities.

In summary, the recent growth in Canadian criminal justice costs cannot be attributed to disproportionate increases in spending by the federal,

TABLE 2

Federal Spending for Criminal Justice
(Millions)

YEAR*	COURTS	%	CORRECTIONS	%	POLICE	%
1961-62	8	10	23	29	49	61
1966-67	13	8	58	34	101	59
1971-72	29	9	81	26	199	64
1976-77**	75	10	225	29	470	61
1979-80	53	5	333	32	645	63
1980-81	70	6	401	33	733	61

* Fiscal years

** From 1977-78 onward, Statistics Canada has narrowed the definition of courts of law which resulted in a discontinuity for the series.

Source: Statistics Canada, Federal Government Finance, annual (Catalogue # 68-211).

TABLE 3

Provincial/Territorial Spending for Criminal Justice
(Millions)

YEAR*	COURTS	%	CORRECTIONS	%	POLICE	%
1961-62	29	28	41	40	34	33
1966-67	52	26	71	35	79	39
1971-72	120	30	128	32	159	39
1976-77	254	27	309	33	378	40
1979-80	294	25	359	31	515	44
1980-81	365	27	410	30	578	43

* Fiscal years

Source: Statistics Canada, Provincial Government Finance, annual, (Catalogue # 68-207).

provincial, or local levels of government; to a disproportionate increase in spending for any one of the major criminal justice services; or, to a significant transfer of resources from one justice service to another. Rather, the trend is characteristic of a general "across-the-board" rise in spending for criminal justice administration across Canada.

TABLE 4

Local Spending for Criminal Justice
(Millions)

YEAR*	COURTS AND CORRECTIONS	%	POLICE	%
1961**	—		—	
1966	—		—	
1971	13	4	337	96
1976	17	2	825	98
1979	21	2	1,074	98
1980	28	2	1,240	98

* Calendar years

** Disaggregated data unavailable prior to 1971.

Source: Statistics Canada, Local Government Finance, annual, (Catalogue # 68-204).

International Trends

International comparisons of criminal justice costs are hampered by the scarcity of readily accessible information and, in particular, by data comparability problems due to monetary and jurisdictional differences. Notwithstanding these caveats, Table 5 suggests that the recent increments in crime control costs were by no means restricted to this country. Although the factors responsible for the respective increases cannot be identified, the recent growth in Canadian spending for criminal justice parallels the experience of a number of industrialized western countries.

Factors Associated with the Increase in Criminal Justice Spending

A clearer indication of the relative growth in justice-related expenditures can be found in Table 6, which suggests that the spending increments were not restricted to the spending as a whole. However, although criminal justice continued to represent a very small fraction of total government expenditure, justice-related spending grew more rapidly than overall public sector costs in the 1960s and 1970s and consumed a somewhat larger share of fiscal resources. The "real" growth can be attributed, in part, to the expansion and diversification of criminal justice personnel, facilities, and services. At the federal level, for example, the number of RCMP personnel increased due to the expansion of contract policing services to the provinces and municipalities, the intensification of drug enforcement efforts, and the change from a six to a five-day work week. The RCMP also took on new responsibilities: airport and native policing, new crime analysis laboratories, the CPIC computer system, and the Canadian Police College. During this period, The

TABLE 5
Criminal Justice Spending — Selected Countries
(Millions)

YEAR	BRITAIN* (pounds)	FRANCE (francs)	U.S.A.** (dollars)	CANADA*** (dollars)
1971	615	1,560	10,517	1,020
1972	690	1,770	11,732	1,187
1973	830	1,966	13,007	1,412
1974	1,062	2,363	14,842	1,726
1975	1,397	3,038	17,249	2,091
1976	1,730	3,732	19,681	2,446
1977	1,807	4,199	21,547	2,746
% increase	201	169	105	169

* The aggregate British figures include the expenditures of police, prisons, law courts, as well as, the operation of parliament, however, exclude transfer payments between the central government and local authorities.

** excludes transfer payments.

*** excludes RCMP contract policing revenue.

Source: Central Statistical Office, Annual Abstract of Statistics 1982, Great Britain; Statistics Canada, Federal Government Finance, Provincial Government Finance, Local Government Finance, annual; Department of Justice and Bureau of the Census, Trends in Expenditure and Employment Data for the Criminal Justice System, Government Printing Office, Washington, D.C.; Correspondence with the Services D'Etudes Pénales et Criminologiques, France.

Correctional Service of Canada substantially increased and staffed facilities for the detention of inmates. Penitentiary construction programs increased the number of federal institutions from nine maximum security facilities in 1958 to approximately sixty maximum, medium and minimum security penitentiaries in 1979, including special handling units, regional psychiatric centres, and community correctional services. Finally, parole services expanded geographically with the opening of new offices across Canada and the regionalization of the National Parole Board.

In addition, a substantial portion of the increment in the relative level of criminal justice spending can be attributed to inflation. Had there been no increase in the level of justice services between 1961 and 1980, spending would have increased by 75% nevertheless. Inflation, i.e., the relative price effect, erodes the purchasing power of the dollar and thereby raises the prices of goods and services. It costs more to do the same things. Public sector spending must increase merely to maintain a constant level of services to the public. Given that the criminal justice system is highly labour-intensive, its expenditures will be severely affected by inflation. As employee wages

TABLE 6
 Criminal Justice Spending as a Proportion
 of Total Public Sector Expenditure*
 (Millions)

YEAR	CRIMINAL JUSTICE**	TOTAL PUBLIC SECTOR EXPENDITURES	%
1961	293	13,215	2.2
1966	548	21,015	2.6
1971	1,066	41,877	2.5
1976	2,554	91,748	2.8
1979	3,294	129,131	2.6
1980	3,824	148,237	2.6
% increase	1205	1022	

* Expenditure by all levels of Government for all purposes including transfers of various types, hospitals, as well as Canada and Quebec Pension Plans.

** Total, gross expenditures by federal, provincial/territorial, and local governments.

Source: Statistics Canada, Federal Government Finance, annual; Provincial Government Finance, annual; Local Government Finance, annual; Gross National Product Division, System of National Accounts Branch, Catalogue 13-201.

and salaries increase, the relative price of labour purchased by the public sector rises without a concomitant increment in productivity.

Table 7 illustrates the impact of inflation on criminal justice expenditure. If we correct for inflation, increases in crime control costs are reduced from 1231% in "current" dollars to 342% in "constant" dollars. Inflation thus accounts for nearly three-quarters of the recent growth in spending for criminal justice purposes.

Criminal justice spending follows the pattern of significant increases in public sector spending as a whole. However, the growth rate of criminal justice expenditures exceeded that of total government funding due to the enhancement of the justice system and the pronounced effect of inflationary forces on a labour-intensive delivery system.

What Does the Future Hold?

While it is always hazardous to speculate about future developments, economic and political indicators would appear to signal the end of an era of virtually uninterrupted expansion in the public sector. All levels of govern-

TABLE 7
The Impact of Inflation on Criminal Justice Spending
(Millions)

YEAR	TOTAL SPENDING* (Current \$)	TOTAL SPENDING (Constant \$)**
1961	293	293
1966	548	480
1971	1,066	772
1976	2,559	1,155
1979	3,294	1,177
1980	3,824	1,229
% increase	1,205	319

* Total, gross expenditures by federal, provincial/territorial, and local governments.

** Constant dollars equals current government expenditures on goods and services divided by the implicit price index (1961 equals 1.00).

Source: Statistics Canada, Federal Government Finance, annual; Provincial Government Finance, annual; Local Government Finance, annual; National Income and Expenditure Accounts, annual.

ment in Canada, have adopted policies of fiscal restraint which can be expected to continue for some time. Current fiscal constraints undoubtedly will influence spending for criminal justice purposes. A slow rate of expenditure growth in this area and intensified competition with other government sectors for increasingly scarce resources can be expected. On the other hand, the public is not likely to reduce its demand for protection of life and property.

The criminal justice system will very likely be required to do more with less. We have learned since the affluent sixties that pouring new money on old problems offers no solutions. A period of restraint will necessitate planning and the search for innovative solutions for the persistent problem of crime. Research and experimentation with novel strategies of personnel utilization, new organizational models of service delivery, and technological innovations will be necessary. The system cannot operate in isolation but must encourage greater community involvement in crime prevention and control. Ultimately, the public and criminal justice practitioners will have to collaborate in the formulation of an effective response to crime.

Glossary

Correctional Services includes expenditures in respect of the incarceration and rehabilitation of individuals convicted of criminal action and sentenced to

terms in penitentiaries, gaols, and other detention establishments, i.e., industrial farms, reform schools, and institutions. It also covers funding in respect of probation services.

Courts of Law includes outlays pertaining to the judicial system including the Supreme Court, Exchequer Court, Income Tax Appeal Board, Tariff Board, provincial courts of appeal, provincial superior courts, county and district courts, magistrate courts, juvenile courts, family courts, social welfare courts, justices of the peace, as well as any expenditures in respect of prosecuting attorneys, coroners, witnesses, jurors, court interpreters, and premises used in the judicial process.

Police Protection refers to expenditures pertaining to the maintenance of law and order. It embraces spending in respect of the establishment, operation, maintenance, and equipment of police forces including outlays for stations and other buildings, specialized training facilities, motor vehicles, communication equipment, laboratories, as well as weapons and related equipment. It also takes into account expenditure in respect of the purchase of police services from other governments and that in respect of the custody and detention of arrested persons pending their release on bail or appearance before a court of law.

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Costs of Municipal Police Services

GERALD WOODS

Director, Research Division

As noted by Demers, expenditures for the justice system by Canadian federal, provincial and municipal governments rose by about 1336%, in current dollars, between 1961 and 1980. In 1980, policing alone accounted for about 62% of the federal budget for justice, about 35% at the provincial level and about 97% at the municipal level. In sum, Canadian governments in 1980 spent more than \$2.115 billion dollars to provide police services.

To complement Demers' system-wide inquiry, a twenty-year survey of municipal police costs in twenty cities was proposed, beginning with a pilot study of one municipal force of 750-1100 officers*. The period chosen for the study, 1961-1981, provides an illustration of the rapid rise in spending for municipal law enforcement. The pilot study was directed to an analysis of the growth of police expenditures (for a twenty-city study) through the examination of annual budgets, personnel statistics, population statistics, rates of police per 1,000 residents, gross national product, consumer price indices, and real estate and business tax rates.

Four questions were posed:

- how much have municipal police costs risen during the period 1961-1981;
- what factors caused the increase;
- was the increase proportionate to increases in other indicators such as the municipal budget, the Gross National Product, the Consumer Price Index, etc.;
- did the proportion of the municipal budget allocated to police services undergo an increase different in magnitude from other comparable municipal budget items?

* Municipal officials asked that the city not be identified.

Data proved to be few in number, difficult to find and inadequate for the purpose intended. Accordingly, the proposed study in twenty cities was not undertaken. Nonetheless the data from the pilot study of one municipality are interesting; they should not, however, be generalized with respect to other jurisdictions.

A. Elements of the Police Budget

1. *Operating Expenditures*

Operating Expenditures are payments for essential goods and services such as salaries, other employee benefits, purchased services, supplies and utilities. Operating Expenditures generally accounted for almost the entire police budget — 97.5 % in 1961, 99.8 % in 1971, and 97.8 % in 1981. This budget item increased — in “current”, inflated dollars — by 926 % (Table 1). In this paper, “current” dollars have been corrected for inflation, and are described as *constant* dollars. The overall increase in *constant* dollars — 1961 to 1981 — was 206 %.

2. *Capital Expenditures*

Capital Expenditures are for the acquisition of land, construction of buildings, purchase of computer facilities and so forth. Capital costs tend to be infrequent, large-scale outlays of funds during a single year or over a short span of years. Capital costs varied considerably, from 2 % of Gross Annual Expenditures in 1961 to a high of 37.0 % in 1979, to 0.4 % in 1981. To eliminate the distorting effect of wide variations in annual capital expenditures, the analysis of police costs is restricted to Operating Expenditures.

3. *Gross Annual Expenditure*

Gross Annual Expenditure (GAE) means the sum of all expenditures for police service for a given year, but the precise meaning of the term may vary according to the accounting methods of a particular period. Over the twenty-year period, the cost of police services rose at an average annual rate of 12.2 %, but the rate of expenditure increased somewhat faster during the 1970s — 12.6 % per annum for the period 1971-1981, or 228 % overall — as opposed to an average annual increment of 11.9 % during the period 1961-1971, or 190 % overall.

4. *Debt Charges*

Debt Charges represent the annual repayment of interest and principal on debentures issued by the city. This expenditure in *constant* dollars actually decreased by 22 %, because police capital expenditures were financed through taxes rather than bonds.

5. *Grand Total Annual Expenditures*

Grand Total Annual Expenditures were obtained by adding Gross Annual Expenditures and Annual Debt Charges. The Grand Total Annual Expenditures provide a better understanding of the true cost of policing. In constant dollars, the cost of policing increased by 199 %.

TABLE 1

Operating Expenditure, Capital Expenditure and Gross Annual Expenditure, 1961, 1971, 1981: Percentage Changes and Annual Percentage Changes

	1961	1971	1981	61-71	% Increase 71-81	61-81	Annual % Increase ² 71-81	61-81
Operating Expenditure								
— Current Dollars	2,528,386	7,573,263	25,930,700	200	242	926	11.6	12.3
— Constant Dollars ¹	2,528,386	5,499,828	7,738,198	117	41	206	8.1	5.6
Capital Expenditure								
— Current Dollars	46,923	-0-	97,500	*	*	*	*	*
— Constant Dollars	46,923	-0-	29,096	*	*	*	*	*
Gross Annual Expenditure								
— Current Dollars	2,585,309	7,928,278	26,028,200	207	228	907	11.9	12.2
— Constant Dollars	2,585,309	5,757,646	7,767,293	123	35	190	8.3	5.6
Debt Charges								
— Current Dollars	18,560	13,625	482,961	1	2,474	2,502	*	*
— Constant Dollars	18,560	13,625	14,412	-27	6	-22	*	*
Grand Total								
Annual Expenditures								
— Current Dollars	2,603,869	7,592,025	26,511,161	192	249	918	11.3	12.3
— Constant Dollars	2,603,869	6,134,530	7,781,705	136	29	199	9.0	5.6

¹ Constant dollars = current dollars \div implicit price index. Government current gross national expenditure on goods and services — 1961 = 100; 1971 = 137.9; 1981 = 335.1 (Estimated).

² Formula for % annual increase: $\frac{EA \times 1}{FA} \times 100$ where FA = future amount, PA = present amount, i = percentage annual growth, N = no. of years.

* Not applicable.

The analysis in Part B (Table 1) shows that the growth in annual expenditure for police services followed the general trend for criminal justice expenditures in Canada, as noted by Demers; i.e., outlays for police service by the federal, provincial and municipal governments rose steadily during the period 1961-1981, with the most pronounced increases occurring during the 1970's. Inflation accounted for about three-quarters of the increase; however, the percentage increases in *constant* dollars — 199% for Grand Total Annual Expenditure, 206% for Operating Expenditure — indicate that a substantial rise in real costs occurred.

B. Factors Contributing to the Increase in Operating Expenditure

The increase in Operating Costs between 1961 and 1981, in *constant* dollars, amounted to 206%, or \$5,209,812. This sum is the remainder derived by subtracting the 1961 gross operating expenditure from the 1981 figure. The factors to be examined constitute the elements of Operating Expenditure: personnel, salaries, salary benefits, employer contributions, and "other" operating costs. The proportion of the overall cost increase due to each of these factors is shown in Table 2.

TABLE 2
Factors Contributing to an Increase in Operating
Costs (*Constant* Dollars)

		% of Increase
1. <i>Cost Increase to be Explained</i>		
1981 cost less 1961 cost = (7,738,198-2,528,386) =	\$5,209,812	
2. <i>Factors Contributing to Increase</i>		
a) Personnel Increase: 87.4 % of 1961 Operating Expense =	2,209,809	42.4
b) Salaries: 1981-(1961+87.4 %) = \$5,929,365-3,735,388 =	2,193,977	42.1
c) Salary Benefits: 1981-(1961+87.4 %) = 536,586-46,194 =	490,392	9.4
d) Employer Contributions: 1981-(1961+87.4 %) = 655,416-396,527 =	258,889	5.0
e) Other Operating Costs: 1981-(1961+87.4 %) = 616,831-560,086 =	56,745	1.1
TOTAL	\$5,209,812	100.0

1. Personnel

a) The Cost of Personnel Increases

Increases in personnel accounted for a major portion of the increase in costs. The number of police personnel (sworn and civilian) increased by 87.4% between 1961 and 1981. (Table 3). This caused an increase in Operating Costs of about 87% of the 1961 budget, or \$2.20 million, and accounted for 42.4% of the overall \$5.20 million increase, in constant dollars, during the 1961-1981 period. Given that the municipal area did not increase, the difference between a 12.1% increase in municipal population and an 87% increase in police personnel would be explained by factors other than increases in population or in area to be protected.

TABLE 3
Total Police Personnel

Year	% Of Sworn	% Of Civilians
1961	92.4	7.6
1971	94.5	5.5
1981	75.7	24.3

b) Number and Type of Personnel

The cost of police personnel depends most on the absolute number of employees, but two other factors are important — the proportion of “civilians” to “sworn” personnel (civilians generally are paid less) and the proportion of higher paid senior and middle managers to lower paid constables (Table 4).

The overall increase in police personnel caused a substantial rise in annual expenditure for police services, but the extent of the increase was restrained to some degree by the increase in civilian employees as a proportion of total police personnel, because of lower average salaries for civilian clerks and technicians. (The Provincial Police Commission Budget Resources Information System reported that in 1980 the average hourly wage was \$6.69 for a civilian employee and \$12.33 for a sworn police officer). Civilian employment increased by 500% between 1961 and 1981, from 7.6% to 24.3% of total personnel, with the entire increase occurring during the 1971-1981 period. Civilian employees decreased to 31 from 32 during the period 1961-1971, but increased from 31 to 192 between 1971 and 1981.

Sworn police officers, as a percentage of total strength, declined to 75.5% in 1981 from 92.4% in 1961. Sworn police personnel increased by 144 employees, or 37%, during the period 1961-1971, but only 64

additional police positions, a 12 % increase, were added between 1971 and 1981.

c) Rank Structure

The proportion of higher-paid supervisory personnel will affect the overall cost of a police department (Table 4). This analysis shows that management structure did not contribute significantly to the rise in costs, although the increase in senior officers and NCO's relative to constables caused a small rise in costs.

The percentage of senior officers decreased from 4.6 in 1961 to 3.7 in 1971, and then increased to 5.0 % of total sworn personnel in 1981. At the middle management or NCO level, an increase of 108 % occurred. The proportion of NCO's decreased from 19 % in 1961 to 18.0 % in 1971, and then rose to 25.8 % in 1981. The variation in the proportion of NCO's would appear to be due to organizational policy, given that 143 new patrol officer positions and 22 sergeants were added between 1961 and 1971, thus reducing the relative proportion of NCO's, but 60 NCO positions were added between 1971 and 1981, when there was an absolute decrease of 5 constables.

Most police officers are constables, and the bulk of salary costs is incurred in that rank. The proportion of constables, 76.4 % of sworn strength in 1961, rose to 78.4 % in 1971 and then declined to 69.2 %

TABLE 4
Proportion of Sworn Members by Rank:
1961, 1971, 1981

<u>Year</u>	<u>Senior Officers</u>	<u>% Sworn Personnel</u>	<u>% Total Personnel</u>
1961		4.6	4.2
1971		3.7	3.4
1981		5.0	3.8
<u>Year</u>	<u>NCO's¹</u>	<u>% Sworn Personnel</u>	<u>% Total Personnel</u>
1961		19.0	17.5
1971		18.0	17.0
1981		25.8	19.5
<u>Year</u>	<u>Constables</u>	<u>% Sworn Personnel</u>	<u>% Total Personnel</u>
1961		76.4	70.5
1971		78.4	74.1
1981		69.2	52.3

¹ Non-Commissioned Officers

in 1981. As a proportion of *total* personnel, constables declined from about 70 % to 52 %, due to the large increase in civilians hired during the 1971-1981 period and the relative increase in the number of senior officers and NCO's.

A better idea of the relatively stable number of managers during the period is obtained if supervisory positions (senior officers and NCO's) are examined as proportions of total police personnel rather than as proportions of sworn officers. The proportion of senior officers, 4.2 % in 1961, declined to 3.4 % in 1971 and then increased slightly to 3.8 % in 1981. The proportion of NCO's, 17.5 % in 1961, declined to 17.0 % in 1971 and then rose to 19.5 % in 1981.

d) Police Personnel Per Thousand Residents

The number of "police personnel per thousand residents" (sworn and civilian employees combined) is a common measure of the relative level of police protection in a given city. Compared with 1961, in 1981 a slightly larger population received substantially more police protection at a significantly higher price. The ratio of police to residents increased by 64.6 %, from 1.58 to 2.60 police personnel per thousand residents. Police costs per capita increased by 171 % in constant dollars.

2. *Salaries*

Salary costs were a significant factor in overall cost increases. Measured in *constant* dollars, salary expenditure over and above the 87.4 % increase due to the hiring of additional personnel accounted for \$2.19 million, or about 42 % of the overall \$5.20 million increase in Operating Expenditure (Table 5).

The purchasing power of the police salary rose by 65-80 per cent, depending upon rank. The rise in real police earnings can be illustrated by comparing four sample positions: chief of police, inspector, sergeant, and first-class constable. In "current" dollars, the salary of the chief rose 504 %, from \$10,707 to \$64,665; that of an inspector rose 538 %, from \$6,804 to \$40,500; that of a sergeant rose 467 %, from \$5,400 to \$30,613; and that of a first-class constable rose 451 %, from \$4,900 to \$27,000. In *constant* dollars (purchasing power) these increases measured, respectively, 80 %, 78 %, 69 % and 64 %.

3. *Salary Benefits*

Salary benefits constituted one of the significant identifiable causes of the long-term rise in police expenditure. Salary benefits include pay for overtime, statutory holidays and vacations, terminal allowance, longevity bonus, shift bonus and differential, court appearances, diver's premium, acting rank, motorcycle duty, escort of mental patients, and similar expenditures (Table 5). Salary benefits, as a percentage of Operating Expenditure, increased from 1 % in 1961 and 1971 to 7 % in 1981. The percentage increase was huge but the actual sum was more modest. Measured in *constant* dollars, the

TABLE 5

Salaries, Salary Benefits, Employer Contributions and Other Operating Costs

	1961	% ³	1971	%	1981 ¹	%	61-71	% Increase 71-81	61-81
Salaries (scheduled positions)									
— Current Dollars	1,993,270	79	6,532,783	86	19,869,300	77	228	204	897
— Constant Dollars ²	1,993,270		4,740,771		5,929,365		138	25	198
Salary Benefits									
— Current Dollars	24,650	1	29,125	1	1,798,100	7	18	6,074	7,195
— Constant Dollars	24,650		21,151		536,586		-14	2,439	2,077
Employer Contributions									
— Current Dollars	211,594	8	635,607	8	2,196,300	8	200	246	938
— Constant Dollars	211,594		461,253		655,416		118	42	210
Other Operating Costs									
— Current Dollars	298,872	12	375,748	5	2,067,000	8	26	450	592
— Constant Dollars	298,872		272,672		616,831		-9	126	106

¹ Forecast Expenditure for 1981.

² For formula, see Table 1.

³ Percent of operating cost.

increased expenditure for salary benefits accounted for \$490,392, or 9.4% of the overall \$5.20 million increase in Operating Expenditure.

The most notable datum under this heading would seem to be the 1961 sum — \$24,650 — from which it could be inferred that in those days there were no benefits worthy of discussion. The large increase in salary over the last twenty years may also be due to the fact that in the past the police were notably underpaid when compared with others in the labour force.

4. *Employer Contributions*

Employer contributions accounted for \$258,889 or 5%, of the overall \$5.20 million increase, a moderate impetus to the overall increase in the cost of police services.

Employer contributions include payments into pension funds, health plans, life insurance and unemployment insurance programs. About half the expenditure was for superannuation. As a percentage of personnel costs, the municipal contribution remained constant at 8% of total Operating Expenditure. This item increased by 210% in *constant* dollars, almost double the overall 106% real increase in Operating Costs. (At 8.9% of personnel costs — total operating cost less “other” operating cost — the Employer Contribution is about equivalent to private sector benefits.)

5. *Other Operating Costs*

In constant dollars, the rise in Other Operating Costs accounted for about \$57,000 or 1.1% of the overall \$5.20 million increase in Operating Costs. “Other Operating Costs” include purchased services, maintenance and associated supplies. Other Operating Costs declined slightly as a percentage of total Operating Expenditure, while undergoing the same notable increase overall as did other budget items.

C. Comparison with Other Indices

As noted, four research questions underlay this analysis:

- How much did police costs rise in City X during the period 1961-1981?
- What factors caused the increase?
- Was the increase proportionate to other relevant indices?
- Did the proportion of the municipal budget allocated to police services undergo an inordinate increase, relative to other comparable budget items?

The first two questions have already been answered. Police costs, in real terms, rose by approximately 200%. This increase was due mainly to three factors: an average rise in real individual earnings of about 75%, a substantial increase in fringe benefits, and an increase in personnel of about 87%. In short, personnel costs caused the increase in expenditure, but the police essentially “caught up” to the leading blue-collar categories, with respect to salaries and benefits. In 1961, police were below the average in

salaries and fringe benefits; in 1981 they were at the leading edge in both areas.

How did the rise in police expenditures compare with other selected indicators? About all that can be said is that the costs of everything rose markedly during the period 1961-1981, and that the costs of policing seem to have risen somewhat further and faster than did other indices. The municipal area did not increase; the population increased by 12%; the Consumer Price Index increased by 223%; the residential tax rate by 274%; the municipal budget by 275%; the Average Industrial Wage by 350%; the crime rate by 483%; the Gross National Product by 630%; police cost per capita by 807%; and gross annual expenditure for police by 918% (figures not corrected for inflation).

The real increase of about 200% in police costs can also be described as an increase from 11% to 14% of the municipal budget. The fire department portion of the budget declined somewhat, from 12% to 10%, while increasing by 566% overall. Expenditures for education, a former growth industry now in decline due to demographic factors, decreased from 69% to 61% of the budget, while increasing by 644% overall. Expenditures for Community services such as parks and libraries increased from 10% to 15%, or 1,208% overall (fire, education, parks and libraries figures not corrected).

The increase in local government expenditure followed a trend apparent throughout Canada. Expenditures are based on political decisions by city council members, and no accurate judgement can be made about whether or not the police or other departments received "disproportionate" shares of the municipal budget, or whether the funds allocated to one area curtailed operations in other areas.

D. Conclusion

The analysis presented here has shown that municipal police costs rose rapidly during the period 1961-1981, at a rate significantly higher than did other relevant indices. This increase was due mainly to a large increase in personnel and to gains in salaries and benefits. Essentially, the police gained parity with the highest paid blue-collar workers. Viewed from that perspective the increases were not disproportionate.

Given current official restraints, and the fact that the police have caught up to the rest of the labour force with respect to salaries and benefits, police departments in future may be required to justify policies and programs in terms of cost-effectiveness. The use of innovative patrol, investigative and administrative procedures may be required as a condition governing police budget increases. Extensive community crime prevention programs and a greatly increased participation by citizen volunteers may be required to maintain adequate protection, as the police face a relative decline in the amount of resources available to carry out the law enforcement function.

Corrections Costs

ROBERT B. CORMIER

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This paper presents an overview of current corrections costs, and recent trends in costs, for the federal, provincial and territorial correctional agencies. International comparisons of current costs and interjurisdictional comparison of trends allow some perspective for interpreting the gross cost figures; however, comparisons of actual costs among jurisdictions must take into consideration the wide differences in operation, as well as differences in the collection and reporting of data.¹

Federal Corrections Costs

- A. *Total Expenditures*: The total expenditures of The Correctional Service of Canada and the National Parole Board from 1976-77 to 1980-81 are presented in Figure 1. The costs (in current dollars) increased at an average rate of 14% per year (a cumulative increase of 68% over the five fiscal years), reaching a total of \$430 million in 1980-81.

When the data are corrected for the appropriate inflation rates², the net cumulative increase over the five years is 26%. Thus, 62% of the increase in actual costs during this period was due to inflation.

- B. *Institutional Costs*: The institutional operating costs of penitentiaries from 1976-77 to 1980-81 are presented in Figure 2. These operating costs include internal administration costs, maintenance, salaries, benefits and institutional supplies, but do not include national and regional administration and capital expenditures. Operating costs increased at an average rate of 12% per year, and showed a cumulative increase of 56% over the five year period. When these costs are corrected for inflation, the net cumulative increase for the five years is 15%.

It is evident from Figures 1 and 2 that the rate of increase in total corrections costs from 1976-77 to 1980-81 has been greater than the

rate of increase in institutional operating costs. When the institutional operating costs are deducted from the total costs, the cumulative increase in the remaining costs is 95%, or a net increase (minus inflation) of 53%. This increase in remaining costs is not due to an increase in capital construction expenditures (which, in fact, were greater in 1976-77 than in 1980-81), nor to a marked increase in parole operating costs. It reflects the increase in administrative costs due to the greater emphasis on management systems in federal corrections during these years.

- C. *Cost per Inmate*: Corrections costs often are expressed as “cost-per-inmate”. The actual figure will vary depending on which costs are used in the calculations, as well as how inmates are counted. Inmates in penitentiaries are routinely counted in two ways. The “on register” count includes those inmates on day parole and at large from the institution, while the “midnight count” identifies the number of inmates actually housed in the institution. Following are four ways of calculating a cost per inmate, using the midnight count as the denominator:
- i) One could argue that total corrections costs, including the costs of maintaining parole services and the parole board, should be used in calculating the cost per inmate. Parole is a requirement for processing inmates through the correctional system, and, as a necessary component, might well be included in the cost figure. This formula yields a cost per inmate of \$48,600 for the fiscal year 1980-81. If the total number of inmates and parolees is entered into the calculations, one obtains a cost per offender of \$29,700.
 - ii) One could argue that the calculation of a cost per inmate should be based on the total corrections costs minus parole costs. Although it is a simple matter to identify the costs of the parole board, as well as the costs of operating parole offices, the national and regional headquarters costs associated with maintaining parolees and those associated with maintaining inmates cannot be separated due to the amalgamation of institutional and parole services within The Correctional Service of Canada. One way of handling this situation is to divide these administrative costs in proportion to the number of inmates and parolees, and to include in the calculation only the administrative costs for inmates. The cost per inmate, according to this formula, was \$45,600 for the fiscal year 1980-81. This figure will be used in referring to the cost per inmate at later points in this paper.
 - iii) A third option is to calculate a cost per inmate based solely on the operating costs at the institutional level. This method misses the national and regional costs, as well as capital costs, but isolates the on-site costs of maintaining inmates in penitentiaries. This formula yields a cost per inmate of \$33,000 for the fiscal year 1980-81.
 - iv) The average cost per inmate, however calculated, does not mean that it would cost that amount to house one *additional* inmate. In view of the extremely high fixed costs of a correctional system, this

incremental cost per inmate would be very much lower than the average cost per inmate. One estimate of the incremental cost is the “annual variable cost of maintaining an offender”, as reported in the Correctional Services Program 1983-84 Spring Review of Operational Plans. This variable cost is a figure based on the cost of supplies and contract services associated with the “planning elements directly affected by increased offender population” (p.127). These elements include inmate rations, institutional services, health care, educational services, inmate pay, and aftercare services in the community. The variable cost per offender (i.e. based on the total number of inmates and parolees) is presented in the Operational Plans as \$5,393.

Provincial Corrections Costs

- A. *Total Expenditures:* Since precise figures on capital costs for specific years are not available from some jurisdictions, it is not possible to obtain an exact figure for the total expenditures of correctional agencies in the provinces and territories. However, if one estimates capital costs for fiscal year 1980-81 on the basis of the long-term construction cost figures for these jurisdictions (as outlined in *Correctional Services in Canada*, 1982), one arrives at a total expenditure, including the operation of parole boards in three provinces (i.e. Ontario, Quebec and British Columbia), of \$465 million. When this figure is combined with the \$430 million spent on the federal correctional system, it is clear that almost \$900 million was spent on corrections in Canada during the fiscal year 1980-81. This total expenditure translates to an expense of \$37.30 per Canadian.
- B. *Institutional Costs:* The institutional operating costs for correctional agencies in the provinces and the territories, for fiscal years 1978-79 to 1980-81, are presented in Figure 3. Institutional costs rose 29% from 1978-79 to 1980-81, which is very close to the inflationary increase in general costs during those three years. Figure 3 also shows that Ontario has had the highest expenditures in this area. There was a surprising difference between Ontario and Quebec institutional operating costs, due to a large difference in the number of sentenced admissions to provincial institutions in the two provinces. Specifically, 20,380 individuals received sentences of less than two years in Quebec in 1980, compared with 42,005 in Ontario for fiscal year 1980-81. Furthermore, a recent research report of the Ministry of the Solicitor General, (Hann, 1982) reported that in 1976, only 33% of the inmates housed in Ontario were under federal jurisdiction, while the corresponding figure for Quebec was 54%.
- C. *Per Diem Inmate Costs:* Institutional costs are often expressed as a “per diem inmate cost” (i.e. the daily operating cost per inmate). The per diem cost is calculated by dividing the institutional operating costs by the average number of inmates housed in the institution throughout the year, and dividing this figure by 365. Figure 4 presents the average per diem

inmate cost in 1980-81 for each correctional jurisdiction in Canada. The per diem cost ranged from \$90.43 in the federal system to \$38.52 in New Brunswick. This variability may be due to differences in the proportion of high level security institutions, occupancy rates within institutions, the degree of consolidation of jails, and the nature and extent of institutional programs.

International Comparisons

Canada's net cumulative increase of 26% in federal corrections costs falls between the increases in costs in the U.S. and England and Wales. U.S. state and federal expenditures for adult and juvenile correctional services, from 1976-77 to 1980-81, (Figure 5) increased at an average rate of 11% per year, a cumulative increase of 50%.³ In England and Wales (Figure 6) the average yearly increase in the total expenditures on prisons, remand centres, borstals and detention centres was 22%, a cumulative increase of 118%. Corrected for inflation, the net cumulative increases over the five years were 5% and 50%, for the U.S. and England and Wales respectively.

In Canada, the average cost per inmate (1980-81) was about \$45,000,⁴ while the average cost in England and Wales was approximately \$20,500 (Canadian). The estimated figure for the U.S. is \$8,100.00.⁵

There are, no doubt, several reasons for these differences. First, there is the matter of economy of scale. While the largest Canadian institution houses about five hundred inmates, it is not uncommon for U.S. prisons to house three or four thousand inmates. Second, inmates in Canadian penitentiaries are housed in individual cells, whereas two inmates to a cell is common in U.S. prisons. Third, there is a higher staff-inmate ratio in Canada than in the U.S. In general, Canadian penitentiaries rely less on control through weapons (e.g. one guard with a shotgun in a gun cage in a gym), and rely more on control through manpower (e.g. two officers on a post, with a few other officers able to converge on the scene as required). The relatively high staff-inmate ratio in living unit institutions has given rise to the concept of "relationship security", whereby an element of security is attained through the development of a relationship between a living unit officer and the inmates on his caseload. Obviously this effect cannot be produced in large prisons in the U.S. In short, the living conditions and institutional environment are significantly different in Canadian institutions as compared to the American correctional system.

Summary and Implications

The total expenditure on corrections in Canada, federal and provincial, in fiscal year 1980-81 was about \$900 million. Federal corrections costs in Canada have been increasing on average in recent years at a rate of five percentage points per annum higher than inflation. This rate of increase is greater than that occurring in the U.S. and less than that in England. The

most recent figures (1980-81) indicate that the average institutional cost per inmate in Canadian jails, reformatories and penitentiaries is about \$27,000. In short, the cost of incarcerating offenders in Canada is high, and it is not likely to decrease in the future. The most optimistic projection would be that it would increase at a rate equivalent to the inflation rate. Indeed, The Correctional Service of Canada has set a goal (in the 1982-83 Estimates Part III, Expenditure Plan), to maintain a zero growth in constant dollars in the institutional operating cost per inmate.

The high cost of operating institutions, coupled with concerns about overcrowding, is causing correctional analysts and policy advisors to consider seriously ways of controlling penitentiary population levels. In a recent research report for the Solicitor General of Canada, Billingsley (1982) outlined a number of strategies adopted by various jurisdictions (principally in the U.S.) to control or reduce the number of persons incarcerated and the length of their incarceration. These strategies include the implementation of pre-trial diversion programs, the increased use of non-carceral sentences, the introduction of restrictive changes to sentencing legislation, and the increased use of parole.

Implementation of such strategies in Canada would require changes in policy which, in some instances, would require changes in legislation. Of course, in addressing the matter of controlling penitentiary population levels, one must consider to what degree carceral sentences are necessary and desirable. To answer this question requires discussions about the purposes of criminal sanctions—retribution, deterrence, rehabilitation, and incapacitation and how these purposes are best realized. In the final analysis, correctional services reflect the nature and quality of the Canadian system of criminal justice, and corrections costs are those required to provide these services at a level consistent with the demands of our society.

NOTES

¹ The Home Office in London reports figures for England and Wales combined.

² Inflation rates were obtained from Statistics Canada: Consumer Prices and Price Indexes, 1982, Catalogue No. 62-010. Inflation rates for the calendar years 1977 to 1980 were used to calculate the net cumulative increases in corrections costs. Corresponding rates for the U.S. and England were used to calculate net cumulative increases for these countries.

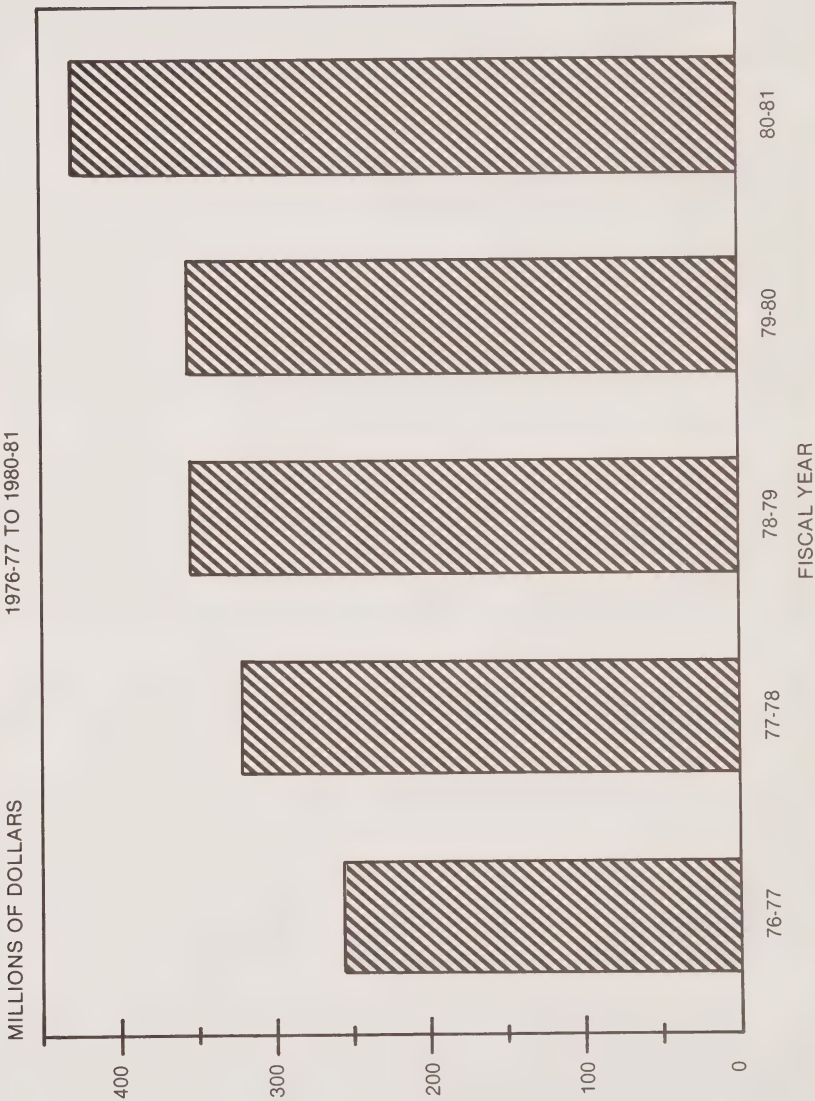
³ These data were obtained from the ACA Directory on Juvenile and Adult Correctional Departments, Institutions, Agencies and Paroling Authorities. More refined data are provided in the Sourcebook of Criminal Justice Statistics, and Expenditure and Employment Data for the Criminal Justice System, both produced by the U.S. Department of Justice. However, the figures available from these publications are too dated (i.e. two years) to be useful in a presentation of current trends. See Doleschal (1979) for a guide to sources of Criminal Justice Statistics in the U.S.

- ⁴ This figure represents the overall average institutional cost per inmate housed in federal, provincial and territorial correctional facilities in 1980-81. (Source: Statistics Canada, Correctional Services in Canada, 1980-81). In those jurisdictions where the "midnight" count was not available, it was estimated at 10 % less than the "on register" count.
- ⁵ Personal correspondence from Quentin Thomas, Home Office, London, England. Personal correspondence from Dr. David Ward, Department of Criminal Justice Studies, University of Minnesota (based on the 1976-77 cost of \$5,400, and an overall cumulative increase from 1976-77 to 1980-81 of 50 %).

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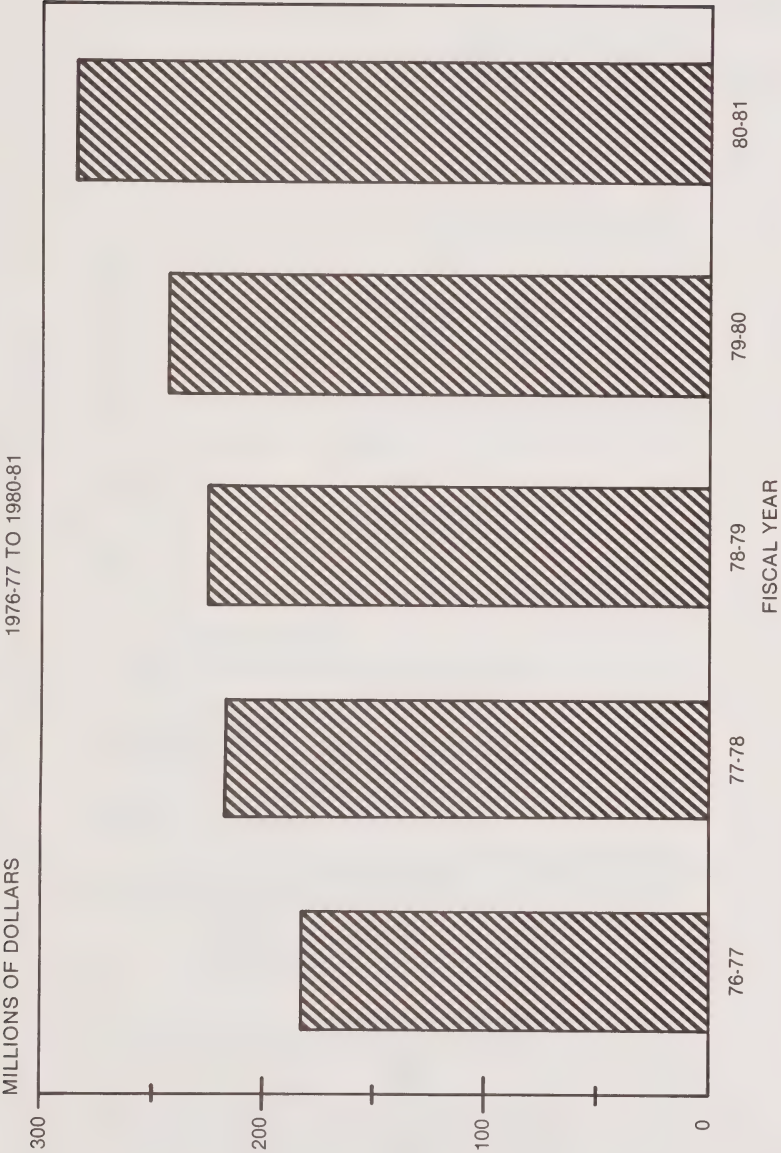
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Figure 1 CORRECTIONS COSTS — CANADA
1976-77 TO 1980-81



Source: Supply and Services Canada, *Estimates*, Catalogue No. RT 31-2, Ottawa, Annual.

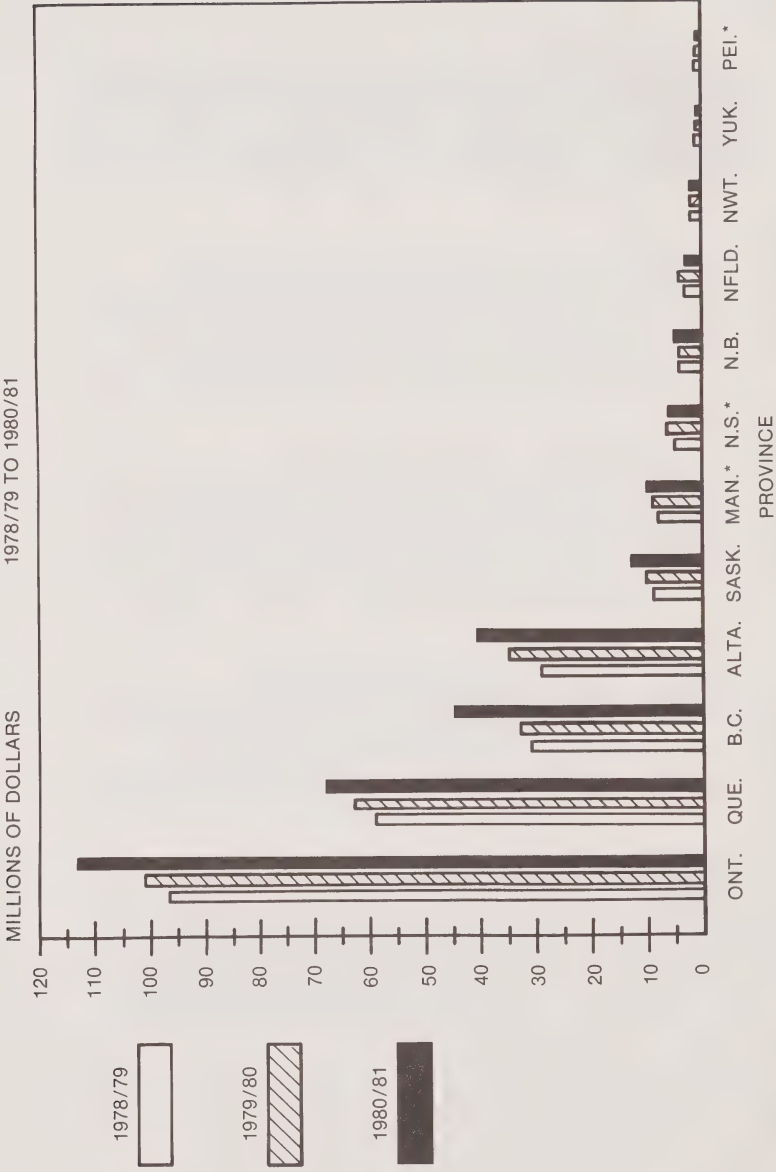
Figure 2 INSTITUTIONAL COSTS — CANADA



Note: Parole operating expenditures relating to inmates have been reallocated to the institutions on the basis of the average inmate population for this year only. This amounted to approximately \$8 million.

Source: Correctional Service of Canada, *The Cost of Maintaining Offenders*, Ottawa, Annual.

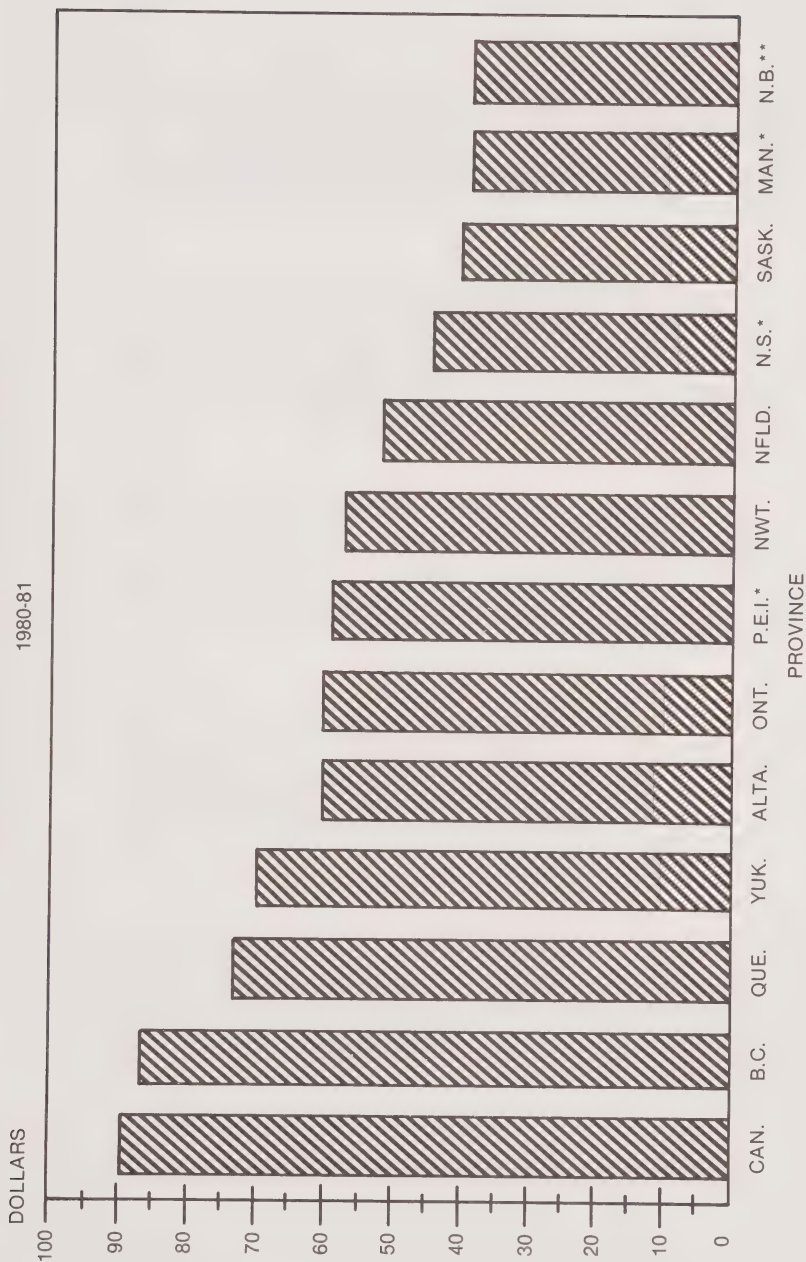
Figure 3 INSTITUTIONAL COSTS — PROVINCES



* Data presented for calendar years 1978, 1979 and 1980.

Source: Statistics Canada, *Correctional Services in Canada*, Catalogue No. 85-211E, Ottawa, Annual.

Figure 4 PER DIEM INMATE COSTS

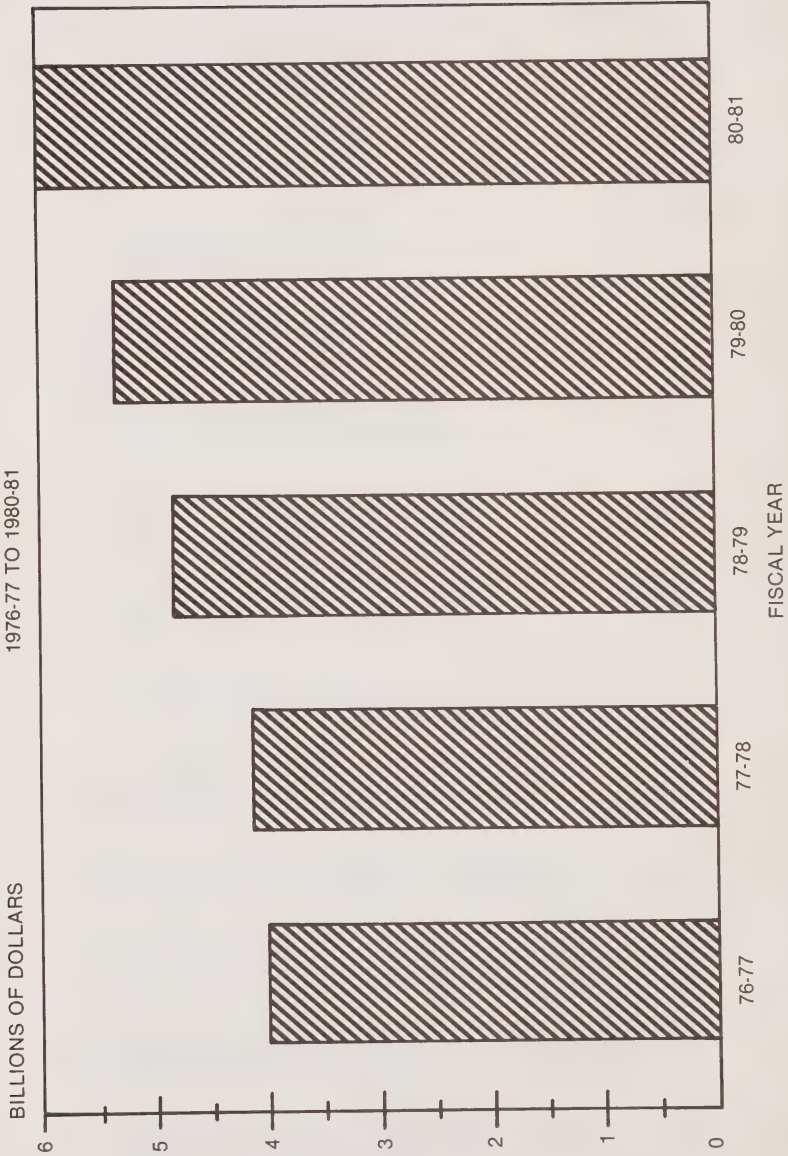


* Cost based on calendar year 1980.

** Cost based on "on register" count rather than the actual number of inmates in the institutions.

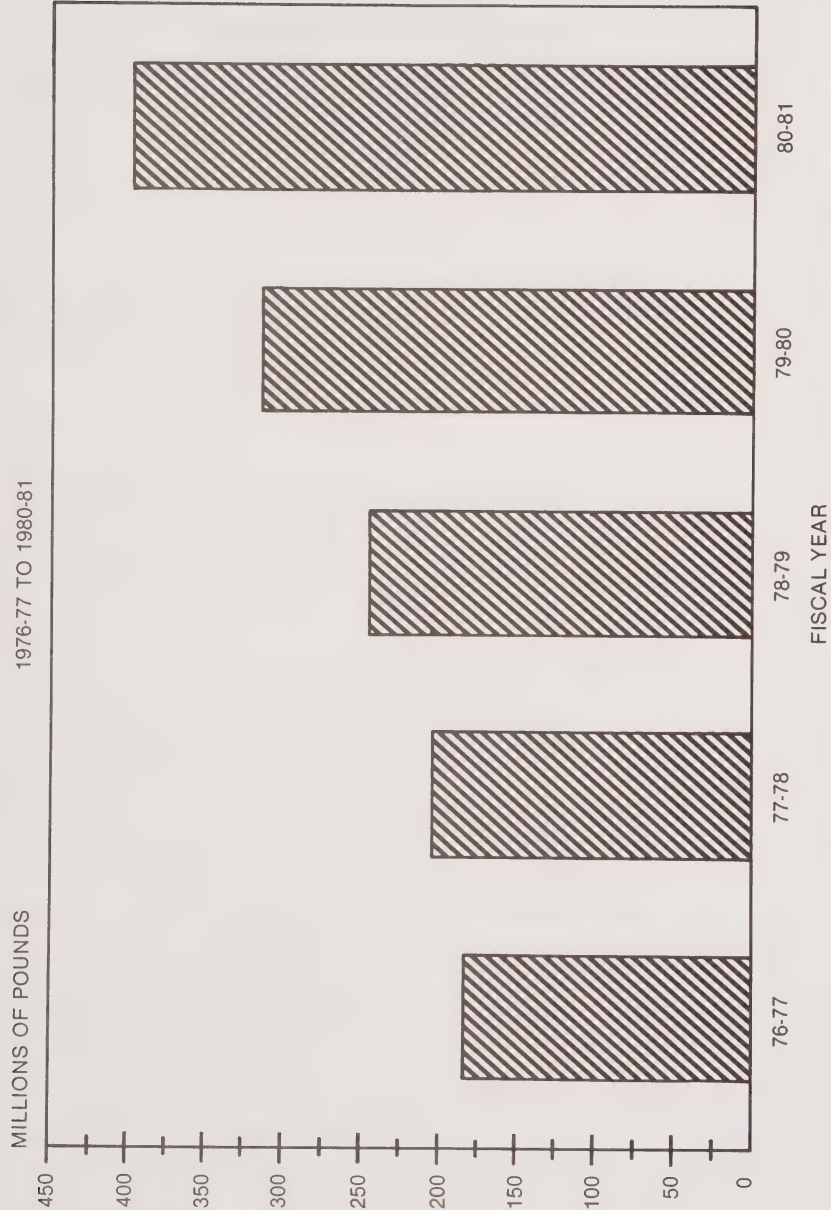
Source: Statistics Canada, *Correctional Services in Canada*, Catalogue No. 85-211E, Ottawa, Annual.

Figure 5 CORRECTIONS COSTS — U.S.



Source: American Correctional Association, *Directory of Juvenile and Adult Correctional Departments, Institutions, Agencies and Paroling Authorities*, Annual.

Figure 6 CORRECTIONS COSTS — ENGLAND



Source: Annual Reports of the Prison Department of the Home Office, London (Personal Correspondence, Quentin Thomas.)

Cost of Crime to Victims: Preliminary Findings of the Canadian Urban Victimization Survey

ALEX HIMELFARB

Director, Statistics Division

The Survey

Until recently, little could be said with confidence about which Canadians were most likely to be victimized by crime or even how many were victimized. Crime statistics such as the Uniform Crime Reports give virtually no information on the victims of crime nor on the incidence of crimes not reported to the police or other enforcement officials.

Early in 1982, however, the Ministry of the Solicitor General with the assistance of Statistics Canada conducted a victimization survey in seven major urban centres: Greater Vancouver, Edmonton, Winnipeg, Toronto, Montreal, Halifax-Dartmouth, and St. John's. The Canadian Urban Victimization Survey provides the most extensive information yet produced concerning the extent of reported and unreported crime during 1981, the risk of criminal victimization, the impact of crime, public perceptions of crime and the criminal justice system and victims' perceptions of their experiences.

To develop a methodology for conducting victimization surveys in Canada, three major pretests were conducted. The initial pretest was conducted in Edmonton and had, as its primary purpose, a comparison of personal and telephone interviewing techniques. The results of the Edmonton study indicated that data collected over the telephone were comparable to data obtained by the far more costly method of in-person interviews. The second pretest was conducted in Hamilton to test and to refine the telephone interviewing procedures. This research led to the telephone interviewing procedures used in the final pretest, the Greater Vancouver Victimization

Survey (1979). Highlights of the findings from this pretest are available from the Communications Division of the Ministry of the Solicitor General.

During January and February of 1982, Statistics Canada interviewers conducted telephone interviews with large samples of residents¹ aged 16 and older in the seven Urban Centres. People under 16 were not interviewed, nor were their personal victimizations reported by others. To maximize reliability of recall, respondents were asked to report on only those incidents which had occurred between January 1 and December 31, 1981.

Because of the relatively low incidence in any one year of some types of crimes included in the survey, very large samples are required to ensure that enough cases are "caught" to be statistically representative of all actual cases in the community under study. Sample sizes ranged from 6,910 in one city to 9,563 in another, with more than 61,000 interviews completed overall. Costs of such a large survey would have been prohibitive if face-to-face interviewing methods had been used. On the basis of these interviews, statistical estimates were made for the general population 16 and over in the seven cities. These statistically derived estimates for the population are used throughout this report.

Victimization surveys can provide information about most, but not all types of crimes which are of major concern to the general public. Crimes such as murder, kidnapping and "victimless" crimes cannot be captured using survey techniques, and were therefore excluded. Crimes committed against commercial establishments were also excluded from this particular survey.

The eight categories of crimes included in this survey are: sexual assault, robbery, assault, break and enter, motor vehicle theft, theft of household property, theft of personal property and vandalism. These offences are ranked in descending order of seriousness. Full definitions of the eight offence categories can be found in Appendix 1.

Incidents which involved the commission of several different criminal acts appear in the tables only once, according to the most serious component of the event. Thus for example, if sexual assault, theft of money and vandalism all occurred at the same time, the incident would be classified in these tables as sexual assault. An incident would be classified as vandalism (least serious on the hierarchy) only if no other crime which is higher on the seriousness scale occurred at the same time.

Analyses in this paper are based on the general offence categories outlined above. At a later date it will be possible to make more refined distinctions between and within offence categories according to other factors such as: whether the incident was only attempted or completed; type of damage, injury or financial loss incurred; type of weapon used; response of victims; location and time of offence; number of offenders; number of victims; characteristics of offenders; characteristics of victims.

Incidence

For the year 1981, there were more than 700,000 personal victimizations of people over 16 (sexual assault, robbery, assault, and theft of personal property), and almost 900,000 household victimizations (break and enter, motor vehicle theft, household theft and vandalism) in the seven cities

Seven Cities

TABLE 1
Incident Rates

<i>Personal Offences</i>				
Population aged 16 and older in seven cities		= 4,975,900		
		Males = 2,357,000		
		Females = 2,618,900		
Type of Incident	Estimated Incidents	Rates per 1000 Population 16 and older		
		Total	Males	Females
All personal incidents	702,000	141	154	129
All violent incidents	352,200	70	90	53
Sexual Assaults	17,300	3.5	0.8	5.8
Robbery	49,200	10	13	7
Assault	285,700	57	79	39
Personal Theft	349,800	70	66	74
<i>Household Offences</i>				
Total households in seven cities = 2,424,900				
Type of Incident	Estimated Incidents	Rate per 1000 Households		
All household incidents	898,100	369		
Break & Enter	227,300	94		
Motor Vehicle Theft	40,600	17		
Household Theft	417,200	172		
Vandalism	213,000	88		

TABLE 2Seven Cities

Number of Incidents of Selected Types and
Proportion not Reported to Police

Type of Incident	Estimated Incidents	Percent of Estimated Incidents	Percent Unreported	Percent Reported
Sexual Assault	17,300	1	62	38
Robbery	49,200	3	55	45
Assault	285,700	18	66	34
Break & Enter	227,300	14	36	64
Motor Vehicle Theft	40,600	3	30	70
Household Theft	417,200	26	56	44
Personal Theft	349,800	22	71	29
Vandalism	213,000	13	65	35
TOTAL	1,600,100	100	58	42

surveyed (Table 1). Fewer than 42% of these incidents had been reported to the police (Table 2). Quite simply, a large number of Canadians had been victimized, many more than Uniform Crime Report statistics would indicate.

Most of these incidents, it should be noted, did not involve those offences which evoke our greatest fears. There were relatively few sexual assaults or robberies, for example. Far more frequent were thefts of personal property (i.e. without contact), and assaults. Similarly, household theft was the most frequent of household offences followed by break and entry and vandalism, with relatively few motor vehicle thefts. Although rates of motor vehicle theft, household theft, theft of personal property and vandalism increase with family income, the pattern for break and enter and robbery is less straightforward. High rates occur at both ends of the income scale (Tables 3 and 4).

The Cost of VictimizationFinancial Costs

The gross financial costs to victims of crime in the seven cities surveyed are rather imposing for a single year: \$211,500,000 in unrecovered property and cash; \$41,900,000 in damage to property; and an additional \$7,000,000 (approximately) in associated medical expenses and lost wages. The victims reported an additional \$170,000,000 paid out to them through private insurance. Taken together then, these figures give us a total real cost of crime in excess of \$431,000,000 in the seven cities for a single year.

TABLE 3
Incident Rate by Family Income
Rates per 1,000 Population

Annual Family Income	Sexual Assault	Robbery	Assault	Personal Theft
Less than \$9,000	7	13	61	61
\$ 9,000 – 14,999	4	15	78	70
\$15,000 – 19,999	4	14	60	72
\$20,000 – 24,999	3*	9	57	77
\$25,000 – 29,999	**	7	52	66
\$30,000 – 39,999	3*	6	62	80
\$40,000 or more	2*	12	69	94

* The actual count was low (11 to 20), therefore caution should be exercised when interpreting this rate.

** The actual count was too low to make statistically reliable population estimates.

TABLE 4
Incident Rate by Family Income Rates per 1,000 Household

Annual Family Income	Break & Enter	Motor Vehicle Theft	Household Theft	Vandalism
Less than \$9,000	83	8	99	41
\$ 9,000 – 14,999	104	16	150	71
\$15,000 – 19,999	103	19	176	90
\$20,000 – 24,999	99	23	225	108
\$25,000 – 29,999	99	23	208	123
\$30,000 – 39,999	103	22	229	120
\$40,000 or more	113	20	241	128

Clearly the financial costs to victims of crime are substantial. The gross figures, however, may be somewhat misleading — they are just numbers in a vacuum too large to be meaningful in terms of impact upon victims. The mean net loss per incident (exclusive of medical expenses and lost wages) came to slightly more than \$167 (see Tables 5-9; Figure 1), and the number of incidents involving losses greater than \$200 was low.

FIGURE 1 MEAN GROSS DOLLAR LOSS, MEAN RECOVERY AND MEAN NET LOSS, BY SEX

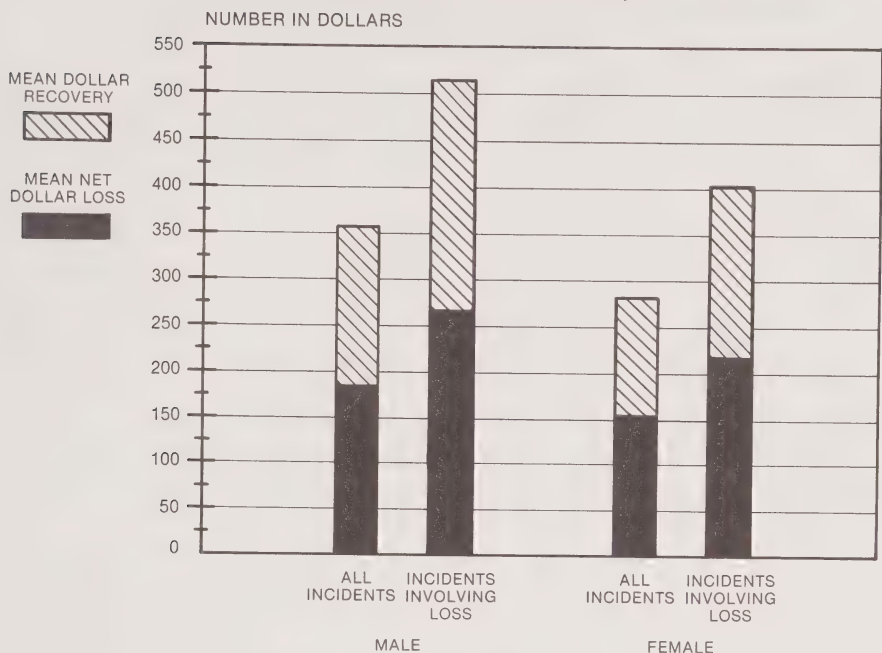


TABLE 5

Economic Loss¹ and Recovery for all Incidents, by Sex of Victim

Sex	Mean Gross \$ Loss	Mean \$ Recovery	Mean Net \$ Loss
Male	358	174	184
Female	283	130	153
Overall	318	150	167

¹ Economic loss in this instance includes costs due to theft and damage to property only.

The actual dollar figures should not blind us to the suffering that financial loss can mean for individual victims. The impact of similar financial loss will be experienced differently depending on the income of victims, their ability to recover through private insurance or otherwise and so on in about 88 % of incidents involving economic loss, no recovery of loss was made. Almost

TABLE 6
Economic Loss¹ and Recovery for Incidents Involving any Loss,
by Sex of Victim

Sex	Percent Incidents with Dollar Loss	Mean Gross \$ Loss	Mean \$ Recovery	Mean Net \$ Loss
Male	70	514	248	266
Female	70	403	186	217
Overall	70	454	215	240

¹ Economic loss in this instance includes costs due to theft and damage to property only.

three-quarters of the poorest victims of theft had no insurance. Obviously, the financial impact of victimization falls most heavily on those with lower or fixed income. Even if they do make some recovery, the waiting period is likely to produce significant hardship.

Although elderly people were victimized much less often than young people, the financial impact of their victimization was greater. Gross and net loss is greatest for those between 30 and 59 years of age, yet net loss as a percent of family income is typically under 1% (Figure 2). Figure 3 shows that mean net loss as a percent of mean gross dollar is higher for both ends of the age groups. As Table 9 reveals, elderly victims' losses represent a much larger proportion of their income (1.4%) than is the case for younger victims. What may represent an insignificant loss to many represents a substantial loss to elderly victims as to all victims who have reduced incomes. The Victimization Survey data indicate that elderly people should be considered a special group, not only because they are more frail or vulnerable, but also because of their lower incomes.

A variety of local victim needs assessment studies conducted by the Ministry of the Solicitor General and by the Department of Justice indicate that many victims of property crimes need immediate practical advice on remedies available to them, on procedures for claiming compensation and insurance, on reporting stolen credit cards and identification and on procedures for replacement of such important documents. Victims also express a need for information on strategies which may prevent a recurrence of their loss.

Break and Enter Victims

It is not surprising that motor vehicle theft produced the largest mean gross loss; however, because recovery was high — through insurance or directly through police action — motor vehicle theft did not produce the largest mean net loss. The greatest mean net loss was produced by break and enter. More than 227,000 break and enter incidents occurred in the

TABLE 7Economic Loss¹ and Recovery for all Incidents by Type of Crime

Type of Crime	Mean Gross \$ Loss	Mean \$ Recovery	Mean Net \$ Loss
Personal Crimes			
Sexual Assault	92	8	84
Robbery	322	146	176
Assault ²	48	7	41
Personal Theft	211	62	149
Household Crimes			
Break & Enter	770	329	441
Motor Vehicle Theft	2,521	2,192	329
Household Theft	232	106	126
Vandalism	164	71	93

¹ Economic loss in this instance includes costs due to theft and damage to property only.² Loss in cases of assault is for property damage only.**TABLE 8**Economic Loss¹ and Recovery for
Incidents Involving Loss by Type of Crime

Type of Crime	Percent Incidents with Dollar Loss	Mean Gross \$ Loss	Mean \$ Recovery	Mean Net \$ Loss
Personal Crimes				
Sexual Assault	32	291	25	266
Robbery	56	576	261	315
Assault ²	18	261	37	224
Personal Theft	94	225	65	160
Household Crimes				
Break & Enter	67	1,142	487	655
Motor Vehicle Theft	72	3,512	3,053	459
Household Theft	88	264	120	144
Vandalism	73	224	92	132

¹ Economic loss in this instance includes costs due to theft and damage to property only.² Loss in cases of assault is for property damage only.

TABLE 9
Loss as a Percentage of Family Income for all Incidents by Age Group

Age Group	Mean Family Income	Mean Gross \$ Loss	% of Income	Mean \$ Recovery	% of Income	Mean Net \$ Loss	% of Income
16-17	27,200	168	0.6	62	0.2	106	0.4
18-20	25,000	178	0.7	97	0.4	81	0.3
21-24	23,400	261	1.1	120	0.5	141	0.6
25-29	25,900	359	1.4	191	0.7	168	0.6
30-39	28,600	394	1.4	182	0.6	212	0.7
40-49	29,800	419	1.4	228	0.8	191	0.6
50-59	27,000	435	1.6	217	0.8	218	0.8
60-64	21,100	285	1.4	136	0.6	149	0.7
65 and over	12,600	320	2.5	143	1.1	177	1.4

FIGURE 2 MEAN GROSS DOLLAR LOSS, MEAN RECOVERY AND MEAN NET LOSS, BY AGE

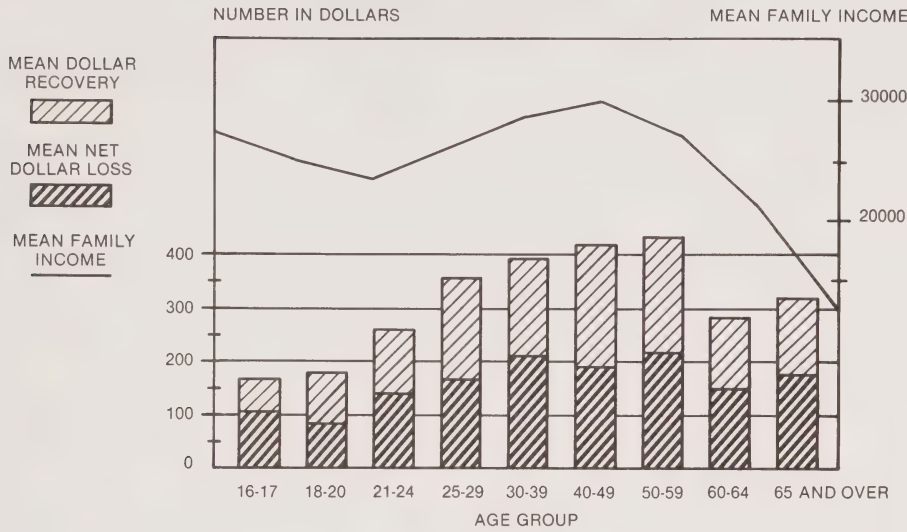
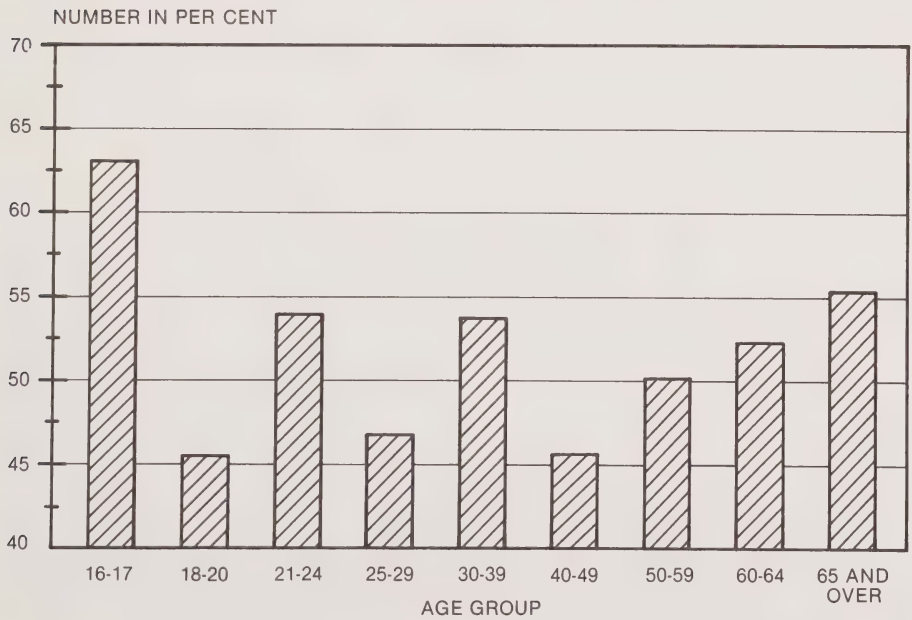


FIGURE 3 MEAN NET LOSS AS A PER CENT OF MEAN GROSS DOLLAR LOSS



seven cities during 1981 (Table 2). Of the very large number of households affected by this type of crime (94 per thousand households) about 67% suffered some financial loss (Table 8). In those incidents where some loss did occur, the average gross loss (through theft or damage) was about \$1,142. After recovery through police and private insurance, net loss for victims was \$655.00. Most recovery was through private insurance.

Relatively little is directly recovered through the police (offenders are rarely caught). Further, when stolen goods are found they may be held by the police as evidence for pending trials, exacerbating the sense of loss and leading, perhaps, to further feelings of frustration. Recent initiatives to speed up the return of stolen property should have a positive impact upon the satisfaction of victims with the workings of the criminal justice system. But actual material recovery will not help alleviate the increased fear, sense of invasion and sometimes long-term stress associated with this offence.

Damage to Property

Quite apart from the losses caused by car theft, the car is the locus of much crime and the source of much of the costs to victims. For example, over three-quarters of the incidents of vandalism involved damage to a car. When damage accompanied theft of personal or household property, it was the car that received the damage in the large majority of instances. In over 70% of the instances which involved damage, the net loss to the victim was less than \$100. Nevertheless, recent studies show that victims of property crime often suffer crisis reactions previously assumed to arise only with crimes of violence. If destruction of property occurs, the apparent irrationality of such behaviour may aggravate such reactions.

Direct financial costs represent only one small measure of the impact of victimization. The physical and emotional costs are of even greater importance in many instances.

Physical Costs

Of the approximately 1,600,000 victimization incidents (Table 2) reported in the seven cities, fewer than 350,000 incidents (404,000 victims) (Table 10) could be classified as involving personal contact with the offender. Nevertheless, these resulted in 50,500 nights in hospital and 405,700 days lost due to some form of incapacitation. About 54% of those who were victims of assault, robbery or sexual assault were actually attacked physically and about 8% (34,000) had to seek some form of medical or dental attention although many more were injured. While serious injury is relatively rare, again the costs of victimization fall more heavily on some than on others, on those who have only basic medical coverage and of course on those who are physically frail and vulnerable. No dollar costs have been attached to this suffering (Table 10) in the Canadian Urban Victimization Survey.

TABLE 10
Nature and Consequences of Personal Violent Crime
in Seven Cities

	Estimated Number	Percent of all Victims
Number of Victims	404,000	100
Threatened Only	183,800	46
Physically Attacked	220,200	54
Injured	110,500	27
Number who received Treatment for Injuries	34,000	8
Any Hospital Treatment Received	24,200	6
Hospital Overnight or Longer	3,300	1

Percentages do not add to 100 since victims could be counted in more than one category.

TABLE 11
Percentage of Attacked¹ Victims Requiring
Treatment for Injuries by Type of Offence

	Percentage of Attacked Victims		
	Sexual Assault	Robbery	Assault
	%	%	%
Medical or Dental Treatment Received	20	12	16
Hospital Treatment Received	13	8	11
Overnight or Longer Stay in Hospital	**	2	2

¹ This table only includes victims who were physically attacked. Incidents involving only threatened violence are excluded.

** The actual count was too low to make statistically reliable population estimates.

Are elderly victims more likely to be injured? The survey results show that elderly people have a comparatively low occurrence of injury. Slightly fewer than 17%² of elderly victims of violent personal crimes suffered some injury as a result of the victimization, compared to an injury rate of 29% for younger victims. However, when victims reported suffering some degree of injury, those 65 and over were more likely than any other age group to require medical or dental treatment.

We know that the victims of some offences are more likely than others to be seriously injured. Victims of sexual assault, in particular, were more likely to be injured and when injured were more likely to require medical attention (see Table 11). We know too that the costs of such offences run far deeper than the physical or financial.

Emotional Costs

Researchers have only recently begun to collect information on the emotional damage caused by victimization. We do know that the fear produced by some forms of victimization can become crippling and can turn victims inward closing them off from social support when they most need it. We are being made increasingly aware of the insidious and emotionally crippling effects of certain kinds of offences — sexual assaults, child abuse, wife battering and other domestic violence — not only on the victims but on the victims' families and not only in the short term but long after the offender has been dealt with by the criminal justice system. Moreover, the victims' emotional suffering may be made more acute by their experiences with the criminal justice system.

In the Canadian Urban Victimization Survey, about one quarter of the victims said that victims of their type of crime should have emotional or psychological counselling available to them. This includes victims of property crimes and other offences we generally consider to be less serious.

The local victim needs assessment surveys confirm that victims of both personal and property crimes express an immediate need for someone to talk to about the incident — someone to provide a sympathetic ear. These local surveys also uncovered and expressed the need for reassurance of personal safety. Victims of both personal and (to a lesser extent) property crimes indicated that their levels of fear and stress would have been reduced immediately after the crime if they had a "companion for security" — someone to stay with them for a few days.

Secondary Victimization

Many victims will encounter inconvenience and difficulties in making the necessary arrangements to attend court, and many too will suffer significant costs which very low witness fees do not begin to address. Complex domestic arrangements made to enable a victim to attend court or appear as a witness may have to be disrupted at the last moment as court schedules are revised without warning. In the Canadian Urban Victimization Survey,

17% of victims who had to appear in court said they had difficulties making arrangements to appear. Over 20% said the court date was inconvenient or that cancellations or postponements created difficulties for them.

Certain material and emotional needs are therefore seen to result from victims' contact with the criminal justice system itself. The victim's experience of powerlessness once a case has passed into the hands of criminal justice system officials has found dramatic expression through various vocal victim groups, but on a more general level, all victims report being most dissatisfied with police efforts to keep them informed about the progress of their case. This is not to say that criminal justice officials are intentionally discourteous or secretive, but a lack of awareness, knowledge or training may inhibit them from offering the kind of help victims seek.

Conclusion

These data represent only a preliminary analysis, a first run, at a very complex set of questions. The findings are important, nevertheless, because they provide the first systematic, empirical demonstration of what those within the criminal justice system have been coming to understand, if only intuitively: the criminal justice system must be responsive to the needs of victims.

We should not be lulled by the findings that relatively few incidents involve substantial losses through theft or damage or that even fewer involve serious physical injury. The costs of crime obviously fall more heavily on some victims than on others, and for a few, the burden is exceptionally heavy.

Criminal court sanctions which recognize the needs of victims are now being actively explored. Many programs now exist to offer victims protection and support, and these will undoubtedly increase in number and effectiveness as we become better informed about the consequences of different kinds of crimes on different categories of victims.

NOTES

¹ The survey excluded commercial and institutional telephones. For detailed discussion of the methodology used consult the forthcoming bulletin from the Ministry of the Solicitor General, "Measuring Crime and Victimization".

² The actual count was very low (10 or fewer), therefore extreme caution should be exercised when interpreting this percentage.

APPENDIX 1

DEFINITIONS AND LIMITATIONS

The eight categories of crimes included in this survey are: sexual assault, robbery, assault, break and enter, motor vehicle theft, theft of household property, theft of personal property and vandalism. These offences are ranked in descending order of seriousness.

1. Sexual assault includes rape, attempted rape, molesting or attempted molestation, and is considered the most serious crime.
2. Robbery occurs if something is taken and the offender has a weapon or there is a threat or an attack. The presence of a weapon is assumed to imply a threat. Attempted robberies are also included in this offence category.
3. Assault involves the presence of a weapon or an attack or threat. Assault incidents may range from face-to-face verbal threats to an attack with extensive injuries.
4. Break and enter occurs if a dwelling is entered by someone who has no right to be there. "No right to be there" differentiates, for example, between a workman who is in a dwelling with the permission of the owner and steals something, and someone illegally entering the dwelling to take property. The latter would be classified as a break and enter as are attempts to enter a dwelling if there is some evidence of force or knowledge of how the person tried to get in.
5. Motor vehicle theft involves the theft or attempted theft of a car, truck, van, motorcycle or other motor vehicle.
6. Theft or attempted theft of household property.
7. Theft or attempted theft of money or other personal property (not household property).
8. Vandalism occurs if property is damaged but not taken.

Incidents which involved the commission of several different criminal acts appear in the tables only once, according to the most serious component of the event. Thus for example, if sexual assault, theft of money and vandalism all occurred at the same time, the incident would be classified in these tables as sexual assault. An incident would be classified as vandalism (least serious on the hierarchy) only if no other crime which is higher on the seriousness scale occurred at the same time.

